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## **OLR Bill Analysis**

### **HB 5451**

#### ***AN ACT CONCERNING TRANSPARENCY IN NURSING HOME COST REPORTS.***

#### **SUMMARY:**

Every two to four years, the law requires the Department of Social Services (DSS) commissioner to rebase Medicaid rates for room, board, and other covered services. Facilities affected are licensed chronic and convalescent nursing homes, chronic disease hospitals associated with chronic and convalescent nursing homes with nursing supervision, residential care homes, and intermediate care facilities for those with mental retardation. In the past, DSS has used cost reports to calculate each facility's rates, but has recently substituted a flat, across-the-board percentage instead.

The bill requires each for-profit chronic and convalescent nursing home that qualifies for Medicaid reimbursements to include in its cost report a profit and loss statement for each related party it pays at least \$10,000 per year for goods, fees, and services. (Under the bill, "related parties" include companies related to such nursing homes through family associations, common ownership, control, or business association with any of the owners, operators, or officials of the facility.) The facility's report must also include a detailed account of the actual cost of these purchases, including how much it paid for them and the seller's mark-ups, profits, or administrative fees.

EFFECTIVE DATE: July 1, 2012

#### **COMMITTEE ACTION**

Human Services Committee

Joint Favorable

Yea 12 Nay 4 (03/22/2012)